



AMIR 2.0 Achievement of Market-Friendly Initiatives and Results Program

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Excellence, Inc. Status Report

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Final Report

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Data Page

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Abbreviations and Acronyms

AMIR	Achievement of Market-Friendly Initiatives and Results Program
BOD	Board of Directors
CEO	Chief Executive Officer
COE	Centers of Excellence
EXI	Excellence, Inc.
ISO	International Standards Organization
KAAGPT	King Abdullah Award for Government Performance and Transparency
SOW	Scope of work
SWOT	Strengths, weaknesses, opportunities and threats

Abstract

This report presents an overview of progress to date made by Excellence, Inc. (EXI). This includes progress towards achieving goals stated in EXI's business plan, progress towards meeting grant milestones, and general observations on the status of Excellence, Inc. as a start-up organization.

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Executive Summary

The purpose of this trip report is to inform USAID and the AMIR Program of the status and progress to date made by Excellence, Inc. (EXI), a Jordanian non-profit-institution receiving USAID-funded AMIR Program grant support. Comments and strategic observations made throughout this document reflect the observations and viewpoints of the author gathered over his past weeks working hands-on with the organization. They should serve above all else to create informed dialogue among primary decision makers, including EXI's Chief Executive Officer (CEO), Board of Directors (BOD), and grant administrators (AMIR Program).

The overall assessment of this trip regarding EXI's status and performance to date is that while EXI has some internal problems and faces an array of challenges that must be overcome (most notably in the area of marketing and sales), overall the organization is proceeding on course and can be expected to meet milestones. The organization has yet, however, to 'hit its stride'. Its ability to do so remains a realistic expectation and is necessary for EXI to achieve the full potential for which it was envisioned.

1. Consultancy Objectives and Deliverables

This consultancy is the second part of a three-phased scope of work (SOW) to support the start-up and organization building of Excellence, Inc. (EXI), a Jordanian not-for-profit organization with a mission to:

‘Use proven models and international best practices to guide institutions through organizational transformation towards achieving a culture of excellence’.

The objective of this phase of the consultancy was to:

Support Excellence, Inc. by carrying out or facilitating:

- Initial marketing and sales efforts.
- Initial benchmarking assessments of multiple institutions.
- Excellence, Inc. strategic planning.
- A review of the Centers of Excellence (COE) tool kit.
- A review Excellence, Inc. overall progress.

The primary focus of the consultancy was contingent on two possible scenarios:

Scenario A: Prior to arrival of the consultant, EXI had successfully gained a broad portfolio of COE institutional transformation tools and thus needed assistance during the initial implementation of the COE methodology.

Scenario B: EXI had yet to gain a broad portfolio of clients and needed marketing support.

As scenario B was the case, marketing support became the priority for consultant support.

The deliverables required for this phase of the consultancy are:

Deliverable 1: (This report) Report on the status of Excellence, Inc. focusing on: accomplishments and shortcomings against business plan objectives and timelines; assessment of marketing materials and approaches; branding issues; strengths, weaknesses, and opportunities of the tool kit; and, future opportunities and recommended course of action.

Deliverable 2: Draft of Excellence, Inc. strategic plan, including vision, mission, objectives, and action plans, SMART goals, and monitoring and evaluation timelines

2. EXI Strategic Decisions and (Potential) Consequences

The Chief Executive Officer of EXI (Majd Abbassi,) has made some strategic decisions that veer slightly from the strategic plan. This has impacted the course of EXI activities and the focus of EXI staff. Many of the decisions are innovative and appear responsive to the needs of prospective clients and EXI's ability to effectively service clients. The purpose of this section is to note the most significant of these decisions and to explore potential ramifications and risks.

Strategic Decision I: Hired five technical experts from the onset.

Overview: The strategic plan called for hiring four technical staff initially, and scaling up as EXI builds in client base and revenue streams. The decision to hire five technical experts enables EXI to offer clients in-house, specialized expertise in each of the five individual COE criteria from the onset.

Consequence: The consequence is that EXI will ultimately need to do one (or a combination) of three things to achieve financial sustainability:

- Build a larger portfolio of clients.
- Charge more per client than projected in the business plan.
- Develop and sell a greater value of diversified services than projected in the business plan.

Strategic Decision II: Revised COE methodology.

Overview: The main diversion from the COE methodology that EXI is employing is the use of gap analysis to replace initial benchmarking assessments. The benefit to this new practice is time savings, and a greater opportunity to gain consensus at the organization on institutional strengths and weaknesses in a given area. Another diversion is offering strategic planning as a separate service.

Potential consequence: The risk is that the gap analyses will not serve to instill the pillars of government best practices in each client COE team member. This can be overcome by developing other means to discuss the pillars and their practical application. The risk of offering the strategic plan separately is that institutions not effectively using strategic planning will try and implement the COE methodology. EXI plans not to sell or implement COE services in clients not using effective strategic planning.

Strategic Decision III: Develop and carry out multiple side initiatives/programs during the initial months of operations.

Overview: These new initiatives include offering technical workshops in International Standard Organization (ISO) certification, knowledge management, and other areas; developing a newsletter; focus of technical specialists on research and developing

technical capacity in the criteria for which they are responsible. These are all part of an ambitious plan to develop a strong reputation and brand, and to create positive interaction with clients and potential clients on a broad scale from the onset. The strategy is bold.

Consequence: The focus of staff on multiple initiatives is challenging their individual abilities. EXI personnel are somewhat distracted from EXI's core mission of winning and servicing a portfolio of COE institutional transformation clients. This has led to a degree of operational problems.

3. EXI Competency Areas

This section discusses EXI's current competencies in a number of core areas. A strengths, weaknesses, opportunities and threats (SWOT) analysis is used to illustrate the consultant's view of each area.

3.1 Leadership (Strength/Opportunity)

The overall leadership provided by CEO Majd Abbassi is impressive. He has a clear vision for EXI and works both 'hard and smart' in pursuit of that vision. The strategy that EXI is pursuing under the CEO's stewardship is bold. If effective, it could position EXI as a strong advocate of Jordanian and regional institutional excellence.

EXI personnel have demonstrated effective leadership in matters pertaining to client relationship and management. All appear well qualified to lead external clients through COE institutional transformation methodology, once the client list grows.

Internal leadership among personnel is less consistent. The organization suffers from the inability of unwillingness of some personnel to serve both as 'Chiefs' and as 'Indians' on different internal tasks and objectives. Personnel by and large do not exhibit an action-oriented, problem-solving, entrepreneurial mentality.

This consultant has also heard reports that certain individual(s) have publicly bad-mouthed EXI due to their disagreement over strategic decisions. Complaints are a sad substitute for positive action. This demonstrates a lack of ownership and commitment. There is no place for this type of behavior in a start-up organization such as EXI where building and maintaining a strong reputation are critical. EXI personnel should expeditiously address these issues lest they grow over time and damage the organization.

3.2 Client Management (Strength)

There exists a strong customer-service ethic within the organization. All personnel have demonstrated an understanding of this, and of the crucial nature of consistently strong customer service and client management. As mentioned previously, EXI technical staff all exhibit attributes that should make the organization strong in client management. The true test will come when EXI has many more clients, and technical specialists are forced to juggle multiple clients and client responsibilities at the same time.

3.3 Operations (Opportunity)

As a start-up organization, EXI is currently confronting diverse operational issues. Formal systems and informal norms are still under development, hampered by delays in moving to EXI's independent (from AMIR Program) office space.

Upon arrival (November 22), the consultant met with EXI CEO Majd Abbassi, who expressed optimism while pointing out persistent organizational problems. The consultant

then met with each staff member and was barraged with individual frustrations and complaints, including a pervasive negativity among staff.

On the bright side, at the end of the previous week the team had sat together and aired issues and complaints. All felt that it had been a worthwhile, fruitful discussion. Since that time things have clearly improved drastically, with individuals busy focusing on the new clients and with clarified individual roles and responsibilities.

This schism between CEO and staff that existed at the end of November appears to have decreased over the course of this consultant's assignment. The increased use of organizational and individual planning has helped this, as has the CEO's modifying his actions to accommodate staff preferences. Still, greater systems, increasingly clarified roles and responsibilities, better dialogue between CEO and staff are all necessary. While an increased client portfolio will likely serve to reduce these tensions by forcing more focus, it is crucial that stronger systems be put into regular practice in order to mitigate future problems once work-loads increase dramatically.

3.4 Technical Skills (Threat)

Functionally, the technical specialists are divided into five areas: Leadership, Human Resources, Knowledge, Processes, and Finances. These five areas are the five COE criteria. Each technical specialist has also been asked to achieve working competency in a second criterion. While certain technical specialists have deeper backgrounds than others in the technical area for which they are responsible, all are competent enough to do their jobs well. The concern that specialists will focus too much time on strengthening individual technical capacities at the expense of other EXI needs is the reason that this area is listed as a potential threat. While it is important for the specialists to achieve and maintain high technical competency in their fields, the current focus of technical personnel should shift more towards building and maintaining a broad client portfolio—necessary to achieve full financial sustainability. Staying on the top of their respective fields should largely come through servicing clients and outside the office ongoing learning.

3.5 Business Development (Weakness)

EXI's marketing and sales approach is by far the biggest weakness of the organization. The client list, at five and growing, is not of immediate concern. The issue is the overall approach of the organization in pursuing marketing efforts. Technical specialists do not truly view it as an integral part of their positions. Only two of the five technical specialists expressed genuine willingness to play an active role in marketing and business development. The Marketing Manager simply does not have the mentality or skills to spearhead marketing efforts effectively. This is exacerbated by an unwillingness to receive coaching. Attempts to set performance targets have been unsuccessful. Direct interactions with potential clients are occurring much less frequently than is necessary to build a sufficient client portfolio. The current, comparatively passive approach to pursuing clients is the potential Achilles Heel of EXI.

EXI must make significant changes in its approach to marketing and selling its services in order to achieve its full potential.

Recommendations:

- Include performance indicators specifically related to marketing and sales in the job-descriptions of each technical specialist.
- Greatly expand the list of targeted potential clients beyond the participants in the 2005 King Abdullah Award for Government Performance and Transparency.
- Simplify and fully utilize the existing marketing tracker.
- Hold a staff retreat to focus exclusively on staff participation and contribution to marketing efforts, to build staff capabilities, and to create enthusiasm for this area.
- Set and religiously adhere to targets on sales calls.

And either:

- Contract an extroverted (Jordanian) individual with proven success in leading marketing and sales efforts of start-up, service-oriented firms.

Or:

- Ask the current marketing manager to focus on writing/revising proposals, opportunity tracking, and assisting the CEO in sales efforts. The CEO would personally make phone calls and lead face-to-face sales pitches to prospective clients.

4. Grant Milestones

The following chart depicts EXI's progress against relevant grant requirements. EXI is on target or slightly ahead of schedule in respect to its grant milestones.

	Grant Requirements (By 1/31/05)	Actual (as of 12/14/04)
Number of Institutional Transformation Clients:	6	5
New Products developed for Private sector, business associations and NGOs:	2 (by month 2)	2 (1 pending)
Revenue Targets:	JD 49,084	(JD 49,500) Approximate-Assuming booked revenue accounting method
NGO offices set-up:	Due 1/31	Awaiting delivery of computers

5. Market Development

A market for institutional reform support services exists in Jordan. The existence of this market is extremely positive from a development perspective, signifying that strong demand exists for such vital, development-friendly services. Clear testament to the existence and growth of the public sector reform support services market is the fact that four organizations are actively competing with EXI by marketing their institutional reform services to government clients. Competitors include The Philadelphia Group, Hashemite University, Palma, and ITC. One cause for the growth of this market is the creation of the King Abdullah Award for Government. Perhaps a greater cause is the increased focus of government leadership on public sector reform, spearheaded by His Majesty King Abdullah.

EXI has strengths and weaknesses against these competitors.

EXI Strengths include:

- Five in-house technical specialists specifically dedicated to servicing clients in the area of institutional reform.
- USAID/AMIR Program support (financial and technical).
- Proven COE methodology.
- Strong corporate governance.

EXI Weaknesses include:

- As a start-up, are competing against more established organizations.
- Mandate to focus on offering holistic, comprehensive reform services to institutional reform clients (i.e. not 'everything and anything' they want).

The size of the market for private sector institutional reform support services remains as yet largely untested by EXI. This is discussed in the next section.

6. Emerging Opportunities

EXI is currently exploring opportunities that could serve to further its mission. Waedaat, supported by Japanese development funding, has offered an 80 percent subsidy to eight Waedaat-assisted private sector companies wishing to contract EXI's institutional reform services. This should serve EXI as a powerful means to extend its COE institutional transformation services to the private sector. EXI has created this opportunity well ahead of schedule as anticipated in the business plan.

EXI is also preparing a proposal at the request of the King Abdullah Award for Government Performance and Transparency (KAAGPT) to provide programmatic and logistical support to the Award. Such a contract will serve as a valuable marketing tool in approaching public sector clients. It will also represent EXI's first foray into advocacy services, which are anticipated to increase over time as a percentage of EXI's revenue streams.

EXI has received interest for COE institutional transformation support services from the Palestinian Minister of Industry and Trade. EXI is planning to prepare a proposal to enter the Palestinian market.

7. Conclusions & Recommendations

EXI is largely on course. It is not yet soaring. The competition it faces from other firms and organizations should bode well in forcing EXI to compete for its clients and to maintain high quality services. EXI still needs to build and standardize numerous operational procedures, and to revamp and greatly improve its direct marketing and sales efforts. Morale among staff seems to be improving with each new client, and relative enthusiasm exists for servicing these clients. It is vital that these trends continue.

As part of this consultancy, a SWOT analysis was performed, summarized as follows:

STRENGTHS	WEAKNESSES
<i>Leadership</i> <ul style="list-style-type: none">▪ COE has clear vision could position EXI at top in Jordan and region▪ Staff well qualified to lead clients <i>Client Management</i> <ul style="list-style-type: none">▪ Strong customer service ethic exists	<i>Business Development</i> <ul style="list-style-type: none">▪ Overall approach of the organization in pursuing marketing efforts reflects the fact that specialists do not truly view marketing and sales as integral parts of their positions.
OPPORTUNITIES	THREATS
<i>Leadership</i> <ul style="list-style-type: none">▪ Improvement in internal leadership <i>Operations</i> <ul style="list-style-type: none">▪ Greater systems, clarified roles and responsibilities, better dialogue among staff are necessary	<i>Technical Skills</i> <ul style="list-style-type: none">▪ Staff could focus too much time on strengthening individual technical capacities at the expense of other EXI needs

In terms of grant milestones, EXI is on target in terms of revenue and office set-up, and slightly ahead of schedule in number of clients and new products developed. Nonetheless, the true test for EXI will be how well it is able to satisfy its clients over the long-term. Strong and systematized operational procedures, quality controls, and service standards will need to be established and well maintained for EXI to achieve its full potential. After revamping current marketing and sales approaches, this should become the primary area of focus for EXI.

In conclusion, this consultant recommends that USAID through the AMIR Program continue its current level of support to EXI. Time permitting, it would be beneficial for the PSPI Component Leader Greta Boye to become a bit more involved in EXI oversight. Her skills and capabilities could benefit EXI in many ways, most particularly in ensuring the systemization of quality-controls and service standards.